

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
JANUARY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

	LENDER	SHORT TERM	LONG TERM	TOTAL
1.	SILICON VALLEY BANK	\$ 1,334,167.00	\$ 0	\$ 1,334,167.00
2.	VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3.	KEN DANIEL	0	640,249.99	640,249.99
4.	JIM LEE	9,912.29	3,529.52	13,441.81
5.	GMAC	<u>4,479.63</u>	<u>0</u>	<u>4,479.63</u>
		<u>\$ 1,348,558.92</u>	<u>\$ 685,282.51</u>	<u>\$ 2,033,841.43</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	6/3/94	10%	\$ 900.86 P/MO.	UNSECURED
5.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF JANUARY 31, 1994 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 53,057.97
1995	1,299,030.47
1996	0
1997	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 2,033,841.43</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 1/31/94 & THE SIX MONTHS ENDED 1/31/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 21,449.73	35.93	\$ 128,795.33	35.78
LV - INCOME	8,641.23	14.48	52,430.55	14.57
RW - INCOME	150.00	.25	923.50	.26
PM - INCOME	96.50	.16	1,857.22	.52
PR - INCOME	19,931.75	33.39	119,766.51	33.27
SB - INCOME	9,292.49	15.57	54,143.96	15.04
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TOTAL INCOME	\$ 59,561.70	99.78	\$ 357,917.07	99.44

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 1/31/94 & THE SIX MONTHS ENDED 1/31/94

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$ 350.00	.59	\$ 2,600.00	.72
ADVERTISING	50.00	.08	190.00	.05
BAD DEBTS	170.44	.29	1,869.52	.52
BASIC PROGRAMMING	7,759.45	13.00	48,144.39	13.38
BANK CHARGES	726.05	1.22	1,921.66	.53
CONTRIBUTIONS	.00	.00	345.00	.10
COPYRIGHT FEES	.00	.00	1,180.01	.33
DUES AND SUBSCRIPTIONS	110.13	.18	2,411.01	.67
FOOD & ENTERTAINMENT	145.29	.24	448.70	.12
EQUIPMENT RENTAL	302.54	.51	4,707.85	1.31
FRANCHISE APPLICATION FEES	4,848.17	8.12	7,828.85	2.18
GASOLINE AND OIL	718.73	1.20	4,534.47	1.26
INSURANCE	.00	.00	2,824.23	.78
INSURANCE - W/C	302.93	.51	2,146.96	.60
LEGAL	.00	.00	1,086.99	.30
LICENSES AND PERMITS	116.88	.20	401.28	.11
MATERIALS	321.22	.54	2,485.49	.69
MEDICAL INSURANCE	844.16	1.41	4,987.01	1.39
OFFICE EXPENSE	1,323.72	2.22	6,203.65	1.72
PAY PROGRAMMING	2,955.23	4.95	31,618.48	8.78
PAYROLL TAXES	1,345.02	2.25	5,557.87	1.54
POSSESSORY INTEREST TAX	473.89	.79	3,317.23	.92
POSTAGE	293.14	.49	2,156.64	.60
PERSONAL PROPERTY TAX	1,299.61	2.18	9,308.79	2.59
POLE ATTACHMENTS	.00	.00	2,769.37	.77
RENT	512.08	.86	3,116.51	.87
REPAIRS & MAINTENANCE	344.48	.58	3,149.13	.87
SALARIES - OFFICE	1,596.00	2.67	10,206.00	2.84
SALARIES - OTHER	1,224.00	2.05	10,348.38	2.88
STATEMENT EXPENSE	576.80	.97	5,132.30	1.43
SMALL TOOLS	.00	.00	83.14	.02
SUPPLIES	237.06	.40	2,897.69	.81
TELEPHONE	583.94	.98	3,853.87	1.07
TRAINING	672.51	1.13	1,166.51	.32
TRAVEL	1,058.83	1.77	2,755.65	.77
TRUCK EXPENSE	195.31	.33	2,923.95	.81
UTILITIES	1,098.59	1.84	5,928.20	1.65
MISCELLANEOUS	84.10	.14	385.09	.11
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TOTAL OPERATING EXPENSES	\$ 32,640.30	54.69	\$ 202,991.87	56.41

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT
JANUARY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

THE COMPANY CONSTRUCTS, OPERATES AND MAINTAINS CABLE TELEVISION SYSTEMS IN THE FAIRFAX AREA. THE CORPORATION GRANTS CREDIT TO CUSTOMERS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS.

FIXED ASSETS

FIXED ASSETS CONSIST OF CABLE TV SYSTEMS, TEST AND OPERATING EQUIPMENT, OFFICE EQUIPMENT AND VEHICLES. DEPRECIATION ON THESE ASSETS IS COMPUTED FOR FINANCIAL STATEMENT PURPOSES BY A COMBINATION OF BOTH STRAIGHT-LINE AND DECLINING BALANCE METHODS APPLIED TO INDIVIDUAL ASSETS. THE ESTIMATED LIVES ARE FROM FIVE TO FIFTEEN YEARS.

FOR FEDERAL INCOME TAX PURPOSES, THE MODIFIED ACCELERATED COST RECOVERY SYSTEM IS USED FOR ASSETS ACQUIRED AFTER 1986.

BAD DEBTS

NO PROVISION HAS BEEN MADE FOR ACCOUNTS RECEIVABLE THAT MAY BE UNCOLLECTIBLE. IT HAS BEEN THE POLICY OF MANAGEMENT TO WRITE OFF BAD DEBTS IMMEDIATELY UPON SUCH DETERMINATION.

COMMON STOCK

10,000 SHARES OF COMMON STOCK WERE AUTHORIZED AND 4,000 SHARES HAVE BEEN ISSUED AT \$ 30.00 PER SHARE.

INCOME TAXES

INCOME TAXES FOR HORIZON CABLE TV, INC. FOR THE YEAR ENDED JULY 31, 1993 WERE \$ 800.00 FOR CALIFORNIA AND \$ -0- FOR FEDERAL. THE COMPANY FILES A CONSOLIDATED TAX RETURN WITH ITS PARENT CORPORATION, VIDEO ENGINEERING, INC. HORIZON CABLE TV, INC. IS A WHOLLY-OWNED SUBSIDIARY OF VIDEO ENGINEERING, INC., A PRIVATELY-HELD CORPORATION.

THE DIFFERENCES BETWEEN PRE-TAX ACCOUNTING INCOME AND TAXABLE INCOME, SUCH AS THE USE OF ACCELERATED METHODS OF DEPRECIATION, ARE NOT DEEMED TO BE MATERIAL. THEREFORE, A DEFERRED TAX LIABILITY HAS NOT BEEN RECOGNIZED.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT - CONT'D
JANUARY 31, 1994
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

STATEMENT OF CASH FLOWS

THE STATEMENT OF CASH FLOWS USES THE DIRECT METHOD.
THE CORPORATION CONSIDERS ALL HIGHLY LIQUID DEBT
INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS
OR LESS TO BE CASH EQUIVALENTS.

LOAN FEES

LOAN FEES OF \$ 5,426.63, DATED NOVEMBER 11, 1993, ARE
BEING AMORTIZED OVER THE ONE YEAR LIFE OF THE LOAN.

NOTE B OPERATING LEASE

THE COMPANY IS LEASING A COMPUTER AND SOFTWARE FROM
ADVANTA. THE LEASE IS FOR A FOUR YEAR TERM BEGINNING
FEBRUARY, 1991 WITH A MONTHLY RENTAL OF \$ 251.90.

THE FOLLOWING IS A SCHEDULE BY YEARS OF MINIMUM LEASE
PAYMENTS AS OF JANUARY 31, 1994.

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 1,511.40
1995	<u>1,763.30</u>
	\$ 3,274.70

NOTE C RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS ARE INCLUDED ON THE SCHEDULE
OF NOTES PAYABLE AND CONSIST OF THE FOLLOWING:

VIDEO ENGINEERING, INC.	\$ 41,503.00
KEN DANIEL	\$ 640,249.99



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

1/28/94

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT DECEMBER 31, 1993, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE FIVE MONTHS THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF DECEMBER 31, 1993

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00
CASH IN BANK - WELLS FARGO		172.10
CASH - SHEARSON LEHMAN		4.25
CASH IN BANK-SILICON VALLEY BK		(2,538.37)
CASH IN BANK-SILICON VALLEY BK		73,399.41
ACCOUNTS RECEIVABLE		24,085.77
PREPAID TAXES		10,640.96
PREPAID RENT		347.30
PREPAID EXPENSES		1,594.68

TOTAL CURRENT ASSETS

\$ 107,746.10

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	540,276.91
CATV - LUCAS VALLEY		23,472.88
CATV - DILLION BEACH		27,257.43
CATV - POINT MOLATE		25,752.72
CATV - WEST MARIN		1,800,684.21
OPERATING EQUIPMENT		15,326.07
OFFICE EQUIPMENT		21,871.65
VEHICLES		31,321.73
ACCUMULATED DEPRECIATION		(530,269.00)

TOTAL FIXED ASSETS

\$ 1,955,694.60

OTHER ASSETS

DEPOSITS	\$	251.90
LOAN FEES - NOTE A		20,746.70

TOTAL OTHER ASSETS

\$ 20,998.60

TOTAL ASSETS

\$ 2,084,439.30

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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF DECEMBER 31, 1993

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 17,868.35
NOTES PAYABLE - SCHEDULE 1	1,364,878.28
FEDERAL P/R TAXES PAYABLE	3,571.58
STATE P/R TAXES PAYABLE	435.41
ACCRUED INT-SILICON VALLEY BK	5,223.69
ACCRUED INT - VIDEO ENG.	4,454.18
ACCRUED INT - KEN DANIEL	125,989.03
ACCRUED PAYROLL	2,215.00
CONVERTER DEPOSITS	7,097.58

TOTAL CURRENT LIABILITIES		\$ 1,531,733.10
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$ 682,111.09

TOTAL LONG TERM LIABILITIES		\$ 682,111.09
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TOTAL LIABILITES		\$ 2,213,844.19
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$ 120,000.00
RETAINED EARNINGS (DEFICITS)	(204,869.79)
NET INCOME (LOSS)	(44,535.10)

TOTAL EQUITY		\$ (129,404.89)
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TOTAL LIABILITIES AND EQUITY		\$ 2,084,439.30
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 12/31/93 & THE FIVE MONTHS ENDED 12/31/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2				
CATV INCOME - SCHEDULE 2	\$ 59,132.95	99.76	\$ 298,355.37	99.37
INTEREST INCOME	140.02	.24	1,530.63	.51
DIVIDEND INCOME	.00	.00	360.03	.12
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TOTAL INCOME	\$ 59,272.97	100.00	\$ 300,246.03	100.00
OPERATING EXP - SCHED 3	\$ 34,908.30	58.89	\$ 170,351.57	56.74
	-----	-----	-----	-----
OPERATING INCOME (LOSS)	\$ 24,364.67	41.11	\$ 129,894.46	43.26
MANAGEMENT FEES	\$ 4,927.50	8.31	\$ 21,675.00	7.22
INTEREST	15,495.27	26.14	77,104.48	25.68
AMORTIZATION OF LOAN FEES	929.44	1.57	4,647.20	1.55
DEPRECIATION	14,467.00	24.41	71,748.00	23.90
GAIN/LOSS FROM SALE OF ASSETS	.00	.00	(1,545.12)	(.51)
CALIFORNIA FRANCHISE TAX	.00	.00	800.00	.27
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ (11,454.54)	(19.32)	\$ (44,535.10)	(14.85)
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HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 12/31/93 & THE FIVE MONTHS ENDED 12/31/93

	CURRENT PERIOD	YEAR-TO-DATE
RECONCILIATION OF NET INCOME TO OPERATING CASH:		
NET INCOME (LOSS)	\$ (11,454.54)	\$ (44,535.10)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH		
DEPRECIATION AND AMORTIZATION	\$ 15,396.44	\$ 76,395.20
GAIN/LOSS FROM SALE OF ASSETS	.00	(1,545.12)
CHANGE IN ASSETS & LIABILITIES		
INCR/DECR IN PURCHASED INTEREST	\$.00	\$ 99.23
DECR/INCR IN ACCOUNTS RECEIVABLE	1,440.84	(2,045.13)
DECR/INCR IN EMPLOYEE ADVANCES	500.00	.00
DECR/INCR IN PREPAID TAXES	1,773.50	(10,640.96)
DECR/DECR IN PREPAID RENT	114.41	571.93
DECR/DECR IN PREPAID EXPENSES	753.31	2,228.07
INCR/INCR IN ACCOUNTS PAYABLE	3,268.35	5,968.35
INCR/DECR IN ACCRUED INT-SILICON VALLEY BK	94.35	(566.13)
DECR/DECR IN ACCRUED INT - VIDEO ENG.	(373.88)	(3,290.44)
INCR/INCR IN ACCRUED INT - KEN DANIEL	5,029.91	24,825.33
DECR/INCR IN ACCRUED PAYROLL	(3,104.60)	.00
DECR/DECR IN CONVERTER DEPOSITS	(383.34)	(2,778.77)
INCR/INCR IN OTHER LIABILITIES	1,340.38	964.23
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TOTAL ADJUSTMENTS	\$ 25,849.67	\$ 90,185.79
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NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 14,395.13	\$ 45,650.69
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HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 12/31/93 & THE FIVE MONTHS ENDED 12/31/93

	CURRENT PERIOD	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 59,887.33	\$ 293,698.25
CASH PAID TO SUPPLIERS AND EMPLOYEES	(34,887.33)	(193,101.73)
INTEREST RECEIVED	140.02	1,629.86
DIVIDEND INCOME	.00	360.03
INTEREST PAID	(10,744.89)	(56,135.72)
INCOME TAXES PAID	.00	(800.00)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 14,395.13	\$ 45,650.69
CASH FLOWS FROM INVESTING ACTIVITIES		
CAPITAL EXPENDITURES	\$ (4,898.44)	\$ (39,760.09)
MARKETABLE SECURITIES	.00	(14,580.76)
PROCEEDS FROM SALE OF MARKETABLE SECURITIES	.00	102,143.93
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	\$ (4,898.44)	\$ 47,803.08
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS	\$ (6,139.98)	\$ (48,331.69)
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NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (6,139.98)	\$ (48,331.69)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 3,356.71	\$ 45,122.08
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 67,720.36	\$ 25,954.99
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CASH EQUIVALENTS END OF PERIOD	\$ 71,077.07	\$ 71,077.07
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HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
DECEMBER 31, 1993
SEE ACCOUNTANT'S COMPILATION REPORT

LENDER	SHORT TERM	LONG TERM	TOTAL
1. SILICON VALLEY BANK	\$ 1,346,167.00	\$ 0	\$ 1,346,167.00
2. VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3. KEN DANIEL	0	640,249.99	640,249.99
4. JIM LEE	14,224.14	0	14,224.14
5. GMAC	<u>4,487.14</u>	<u>358.10</u>	<u>4,845.24</u>
	<u>\$ 1,364,878.28</u>	<u>\$ 682,111.09</u>	<u>\$ 2,046,989.37</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	12/15/94	P + 3.00%		SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	6/3/94	10%	INT ONLY \$ 208.33 P/MO.	UNSECURED
5.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF DECEMBER 31, 1993 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 71,711.28
1995	1,293,525.10
1996	0
1997	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 2,046,989.37</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 12/31/93 & THE FIVE MONTHS ENDED 12/31/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 21,409.29	36.12	\$ 107,345.60	35.75
LV - INCOME	8,548.32	14.42	43,789.32	14.58
RW - INCOME	173.50	.29	773.50	.26
PM - INCOME	105.27	.18	1,760.72	.59
PR - INCOME	19,669.09	33.18	99,834.76	33.25
SB - INCOME	9,227.48	15.57	44,851.47	14.94
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TOTAL INCOME	\$ 59,132.95	99.76	\$ 298,355.37	99.37

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HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 12/31/93 & THE FIVE MONTHS ENDED 12/31/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$ 700.00	1.18	\$ 2,250.00	.75
ADVERTISING	.00	.00	140.00	.05
BAD DEBTS	606.46	1.02	1,699.08	.57
BASIC PROGRAMMING	7,257.32	12.24	40,384.94	13.45
BANK CHARGES	10.00	.02	1,195.61	.40
CONTRIBUTIONS	165.00	.28	345.00	.11
COPYRIGHT FEES	792.96	1.34	1,180.01	.39
DUES AND SUBSCRIPTIONS	560.36	.95	2,300.88	.77
FOOD & ENTERTAINMENT	93.46	.16	303.41	.10
EQUIPMENT RENTAL	726.33	1.23	4,405.31	1.47
FRANCHISE APPLICATION FEES	96.20	.16	2,980.68	.99
GASOLINE AND OIL	575.92	.97	3,815.74	1.27
INSURANCE	(1,017.47)	(1.72)	2,824.23	.94
INSURANCE - W/C	313.08	.53	1,844.03	.61
LEGAL	696.28	1.17	1,086.99	.36
LICENSES AND PERMITS	46.88	.08	284.40	.09
MATERIALS	460.66	.78	2,164.27	.72
MEDICAL INSURANCE	365.79	.62	4,142.85	1.38
OFFICE EXPENSE	893.59	1.51	4,879.93	1.63
PAY PROGRAMMING	7,678.60	12.95	28,663.25	9.55
PAYROLL TAXES	1,042.52	1.76	4,212.85	1.40
POSSESSORY INTEREST TAX	473.89	.80	2,843.34	.95
POSTAGE	447.82	.76	1,863.50	.62
PERSONAL PROPERTY TAX	1,377.40	2.32	8,009.18	2.67
POLE ATTACHMENTS	335.75	.57	2,769.37	.92
RENT	520.91	.88	2,604.43	.87
REPAIRS & MAINTENANCE	466.79	.79	2,804.65	.93
SALARIES - OFFICE	1,998.00	3.37	8,610.00	2.87
SALARIES - OTHER	2,054.40	3.47	9,124.38	3.04
STATEMENT EXPENSE	557.61	.94	4,555.50	1.52
SMALL TOOLS	74.95	.13	83.14	.03
SUPPLIES	596.07	1.01	2,660.63	.89
TELEPHONE	617.40	1.04	3,269.93	1.09
TRAINING	.00	.00	494.00	.16
TRAVEL	653.50	1.10	1,696.82	.57
TRUCK EXPENSE	1,015.79	1.71	2,728.64	.91
UTILITIES	1,620.28	2.73	4,829.61	1.61
MISCELLANEOUS	33.80	.06	300.99	.10
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TOTAL OPERATING EXPENSES	\$ 34,908.30	58.91	\$ 170,351.57	56.75

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
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DECEMBER 31, 1993
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THE COMPANY CONSTRUCTS, OPERATES AND MAINTAINS CABLE TELEVISION SYSTEMS IN THE FAIRFAX AREA. THE CORPORATION GRANTS CREDIT TO CUSTOMERS, SUBSTANTIALLY ALL OF WHOM ARE LOCAL RESIDENTS.

FIXED ASSETS

FIXED ASSETS CONSIST OF CABLE TV SYSTEMS, TEST AND OPERATING EQUIPMENT, OFFICE EQUIPMENT AND VEHICLES. DEPRECIATION ON THESE ASSETS IS COMPUTED FOR FINANCIAL STATEMENT PURPOSES BY A COMBINATION OF BOTH STRAIGHT-LINE AND DECLINING BALANCE METHODS APPLIED TO INDIVIDUAL ASSETS. THE ESTIMATED LIVES ARE FROM FIVE TO FIFTEEN YEARS.

FOR FEDERAL INCOME TAX PURPOSES, THE MODIFIED ACCELERATED COST RECOVERY SYSTEM IS USED FOR ASSETS ACQUIRED AFTER 1986.

BAD DEBTS

NO PROVISION HAS BEEN MADE FOR ACCOUNTS RECEIVABLE THAT MAY BE UNCOLLECTIBLE. IT HAS BEEN THE POLICY OF MANAGEMENT TO WRITE OFF BAD DEBTS IMMEDIATELY UPON SUCH DETERMINATION.

COMMON STOCK

10,000 SHARES OF COMMON STOCK WERE AUTHORIZED AND 4,000 SHARES HAVE BEEN ISSUED AT \$ 30.00 PER SHARE.

INCOME TAXES

INCOME TAXES FOR HORIZON CABLE TV, INC. FOR THE YEAR ENDED JULY 31, 1993 WERE \$ 800.00 FOR CALIFORNIA AND \$ -0- FOR FEDERAL. THE COMPANY FILES A CONSOLIDATED TAX RETURN WITH ITS PARENT CORPORATION, VIDEO ENGINEERING, INC. HORIZON CABLE TV, INC. IS A WHOLLY-OWNED SUBSIDIARY OF VIDEO ENGINEERING, INC., A PRIVATELY-HELD CORPORATION.

THE DIFFERENCES BETWEEN PRE-TAX ACCOUNTING INCOME AND TAXABLE INCOME, SUCH AS THE USE OF ACCELERATED METHODS OF DEPRECIATION, ARE NOT DEEMED TO BE MATERIAL. THEREFORE, A DEFERRED TAX LIABILITY HAS NOT BEEN RECOGNIZED.

HORIZON CABLE TV, INC.
NOTES TO FINANCIAL STATEMENT - CONT'D
DECEMBER 31, 1993
SEE ACCOUNTANT'S COMPILATION REPORT

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

STATEMENT OF CASH FLOWS

THE STATEMENT OF CASH FLOWS USES THE DIRECT METHOD. THE CORPORATION CONSIDERS ALL HIGHLY LIQUID DEBT INSTRUMENTS PURCHASED WITH A MATURITY OF THREE MONTHS OR LESS TO BE CASH EQUIVALENTS.

LOAN FEES

THERE ARE TWO LOAN FEES PAID ON SILICON VALLEY BANK NOTES. THE FIRST ONE, IN THE AMOUNT OF \$ 12,415.10 DATED NOVEMBER 21, 1991, IS BEING AMORTIZED OVER THE THREE YEAR LIFE OF THE LOAN. THE SECOND ONE, IN THE AMOUNT OF \$ 26,891.00 DATED JUNE 15, 1991, IS BEING AMORTIZED OVER THE FIVE YEAR LIFE OF THE LOAN.

NOTE B OPERATING LEASE

THE COMPANY IS LEASING A COMPUTER AND SOFTWARE FROM ADVANTA. THE LEASE IS FOR A FOUR YEAR TERM BEGINNING FEBRUARY, 1991 WITH A MONTHLY RENTAL OF \$ 251.90.

THE FOLLOWING IS A SCHEDULE BY YEARS OF MINIMUM LEASE PAYMENTS AS OF DECEMBER 31, 1993.

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 1,763.30
1995	<u>1,763.30</u>
	\$ 3,526.60

NOTE C RELATED PARTY TRANSACTIONS

RELATED PARTY TRANSACTIONS ARE INCLUDED ON THE SCHEDULE OF NOTES PAYABLE AND CONSIST OF THE FOLLOWING:

VIDEO ENGINEERING, INC.	\$ 41,503.00
KEN DANIEL	\$ 640,249.99



ROBERTS, EXBERGER & LUMBERT ACCOUNTANCY CORPORATION

1/06/94

HORIZON CABLE TV, INC.
FAIRFAX, CALIFORNIA

WE HAVE COMPILED THE ACCOMPANYING BALANCE SHEET OF HORIZON CABLE TV, INC., AT NOVEMBER 30, 1993, AND THE RELATED STATEMENTS OF INCOME AND CASH FLOWS FOR THE FOUR MONTHS THEN ENDED, IN ACCORDANCE WITH STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS.

A COMPILATION IS LIMITED TO PRESENTING IN THE FORM OF FINANCIAL STATEMENTS INFORMATION THAT IS THE REPRESENTATION OF MANAGEMENT. WE HAVE NOT AUDITED OR REVIEWED THE ACCOMPANYING FINANCIAL STATEMENTS AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE ON THEM.

Roberts, Exberger & Lumbert

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF NOVEMBER 30, 1993

ASSETS

CURRENT ASSETS

PETTY CASH	\$	40.00	
CASH IN BANK - WELLS FARGO		163.24	
CASH - SHEARSON LEHMAN		4.25	
CASH IN BANK-SILICON VALLEY BK		(5,746.52)	
CASH IN BANK-SILICON VALLEY BK		73,259.39	
ACCOUNTS RECEIVABLE		25,526.61	
EMPLOYEE ADVANCES		500.00	
PREPAID TAXES		12,414.46	
PREPAID RENT		461.71	
PREPAID EXPENSES		2,347.99	

TOTAL CURRENT ASSETS			\$ 108,971.13

FIXED ASSETS - NOTE A

CATV - HAMILTON FIELD	\$	540,276.91	
CATV - LUCAS VALLEY		23,472.88	
CATV - DILLION BEACH		27,257.43	
CATV - POINT MOLATE		25,752.72	
CATV - WEST MARIN		1,795,785.77	
OPERATING EQUIPMENT		15,326.07	
OFFICE EQUIPMENT		21,871.65	
VEHICLES		31,321.73	
ACCUMULATED DEPRECIATION		(515,802.00)	

TOTAL FIXED ASSETS			\$ 1,965,263.16

OTHER ASSETS

DEPOSITS	\$	251.90	
LOAN FEES - NOTE A		21,676.14	

TOTAL OTHER ASSETS			\$ 21,928.04

TOTAL ASSETS			\$ 2,096,162.33
			=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
BALANCE SHEET
SEE ACCOUNTANT'S
COMPILATION REPORT

AS OF NOVEMBER 30, 1993

LIABILITIES AND EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$ 14,600.00
NOTES PAYABLE - SCHEDULE 1	1,036,385.51
FEDERAL P/R TAXES PAYABLE	2,310.29
STATE P/R TAXES PAYABLE	356.32
ACCRUED INT-SILICON VALLEY BK	5,129.34
ACCRUED INT - VIDEO ENG.	4,828.06
ACCRUED INT - KEN DANIEL	120,959.12
ACCRUED PAYROLL	5,319.60
CONVERTER DEPOSITS	7,480.92

TOTAL CURRENT LIABILITIES		\$ 1,197,369.16
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LONG TERM LIABILITIES

NOTES PAYABLE - SCHEDULE 1	\$ 1,016,743.52

TOTAL LONG TERM LIABILITIES		\$ 1,016,743.52
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TOTAL LIABILITES		\$ 2,214,112.68
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STOCKHOLDERS EQUITY

COMMON STOCK - NOTE A	\$ 120,000.00
RETAINED EARNINGS (DEFICITS)	(204,869.79)
NET INCOME (LOSS)	(33,080.56)

TOTAL EQUITY		\$ (117,950.35)
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TOTAL LIABILITIES AND EQUITY		\$ 2,096,162.33
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ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
INCOME STATEMENT
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 11/30/93 & THE FOUR MONTHS ENDED 11/30/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME - SCHEDULE 2				
CATV INCOME - SCHEDULE 2	\$ 61,293.15	99.75	\$ 239,222.42	99.27
INTEREST INCOME	119.56	.19	1,390.61	.58
DIVIDEND INCOME	36.75	.06	360.03	.15
	-----	-----	-----	-----
TOTAL INCOME	\$ 61,449.46	100.00	\$ 240,973.06	100.00
OPERATING EXP - SCHED 3	\$ 36,497.32	59.39	\$ 135,443.27	56.21
	-----	-----	-----	-----
OPERATING INCOME (LOSS)	\$ 24,952.14	40.61	\$ 105,529.79	43.79
MANAGEMENT FEES	\$ 4,235.00	6.89	\$ 16,747.50	6.95
INTEREST	15,224.73	24.78	61,609.21	25.57
AMORTIZATION OF LOAN FEES	929.44	1.51	3,717.76	1.54
DEPRECIATION	14,437.00	23.49	57,281.00	23.77
GAIN/LOSS FROM SALE OF ASSETS	(1,504.84)	(2.45)	(1,545.12)	(.64)
CALIFORNIA FRANCHISE TAX	800.00	1.30	800.00	.33
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ (9,169.19)	(14.91)	\$ (33,080.56)	(13.73)
	=====	=====	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 11/30/93 & THE FOUR MONTHS ENDED 11/30/93

	CURRENT PERIOD	YEAR-TO-DATE
RECONCILIATION OF NET INCOME TO OPERATING CASH:		
NET INCOME (LOSS)	\$ (9,169.19)	\$ (33,080.56)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET OPERATING CASH		
DEPRECIATION AND AMORTIZATION	\$ 15,366.44	\$ 60,998.76
GAIN/LOSS FROM SALE OF ASSETS	(1,504.84)	(1,545.12)
CHANGE IN ASSETS & LIABILITIES		
INCR/DECR IN PURCHASED INTEREST	\$.00	\$ 99.23
INCR/INCR IN ACCOUNTS RECEIVABLE	(2,010.87)	(3,485.97)
INCR/INCR IN EMPLOYEE ADVANCES	(500.00)	(500.00)
DECR/INCR IN PREPAID TAXES	1,773.50	(12,414.46)
DECR/DECR IN PREPAID RENT	520.88	457.52
DECR/DECR IN PREPAID EXPENSES	770.55	1,474.76
INCR/INCR IN ACCOUNTS PAYABLE	1,380.00	2,700.00
DECR/DECR IN ACCRUED INT-SILICON VALLEY BK	(15.18)	(660.48)
DECR/DECR IN ACCRUED INT - VIDEO ENG.	(384.40)	(2,916.56)
INCR/INCR IN ACCRUED INT - KEN DANIEL	4,867.80	19,795.42
INCR/INCR IN ACCRUED PAYROLL	820.60	3,104.60
DECR/DECR IN CONVERTER DEPOSITS	(996.68)	(2,395.43)
INCR/DECR IN OTHER LIABILITIES	(43.20)	(376.15)
	-----	-----
TOTAL ADJUSTMENTS	\$ 20,044.60	\$ 64,336.12
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 10,875.41	\$ 31,255.56
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
STATEMENT OF CASH FLOWS
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 11/30/93 & THE FOUR MONTHS ENDED 11/30/93

	CURRENT PERIOD	YEAR-TO-DATE
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH RECEIVED FROM CUSTOMERS	\$ 59,122.18	\$ 233,810.92
CASH PAID TO SUPPLIERS AND EMPLOYEES	(36,846.57)	(158,214.40)
INTEREST RECEIVED	119.56	1,489.84
DIVIDEND INCOME	36.75	360.03
INTEREST PAID	(10,756.51)	(45,390.83)
INCOME TAXES PAID	(800.00)	(800.00)
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 10,875.41	\$ 31,255.56
CASH FLOWS FROM INVESTING ACTIVITIES		
CAPITAL EXPENDITURES	\$ (20,477.76)	\$ (34,861.65)
MARKETABLE SECURITIES	(2,090.00)	(14,580.76)
PROCEEDS FROM SALE OF MARKETABLE SECURITIES	56,173.67	102,143.93
	-----	-----
NET CASH USED IN INVESTING ACTIVITIES	\$ 33,605.91	\$ 52,701.52
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS	\$ (15,362.64)	\$ (42,191.71)
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ (15,362.64)	\$ (42,191.71)
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 29,118.68	\$ 41,765.37
CASH/CASH EQUIVALENTS BEGINNING OF PERIOD	\$ 38,601.68	\$ 25,954.99
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CASH EQUIVALENTS END OF PERIOD	\$ 67,720.36	\$ 67,720.36
	=====	=====

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SCHEDULE 1
NOTES PAYABLE
NOVEMBER 30, 1993
SEE ACCOUNTANT'S COMPILATION REPORT

LENDER	SHORT TERM	LONG TERM	TOTAL
1. SILICON VALLEY BANK	\$ 16,449.96	\$ 148,050.04	\$ 164,500.00
2. VIDEO ENGIN. INC.	0	41,503.00	41,503.00
3. KEN DANIEL	0	640,249.99	640,249.99
4. JIM LEE	15,000.00	0	15,000.00
5. SILICON VALLEY BANK	990,666.68	0	990,666.68
6. GMAC	4,468.89	740.47	5,209.36
7. SILICON VALLEY BANK	<u>9,799.98</u>	<u>186,200.02</u>	<u>196,000.00</u>
	<u>\$ 1,036,385.51</u>	<u>\$ 1,016,743.52</u>	<u>\$ 2,053,129.03</u>

	DUE DATE	INTEREST RATE	PAYABLE	COLLATERAL
1.	11/21/94	P + 3.00%	INT ONLY	SHAREHOLDER'S REAL ESTATE
2.	DEMAND	9.25%	INT SEMI-ANNUALLY	UNSECURED
3.		9.25%	*	UNSECURED
4.	6/3/94	10%	INT ONLY \$ 208.33 P/MO.	UNSECURED
5.	6/10/94	P + 2.25%	\$ 8,583.33 PRIN/MO + INT	SHAREHOLDER'S REAL ESTATE
6.	AMORTIZED	4.9%	\$ 385.39 P/MO.	CHEVY TRUCK
7.	5/1/95	P + 3%	INT ONLY	SHAREHOLDER'S REAL ESTATE

*PAYMENTS ON THIS OBLIGATION HAVE BEEN SUSPENDED INDEFINITELY.

AS OF NOVEMBER 30, 1993 PRINCIPAL PAYMENTS ARE DUE AS FOLLOWS:

YEAR ENDED JULY 31,	AMOUNT
1994	\$ 1,036,385.51
1995	334,990.53
1996	0
1997	0
THEREAFTER	<u>681,752.99</u>
	<u>\$ 2,053,129.03</u>

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 2
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 11/30/93 & THE FOUR MONTHS ENDED 11/30/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
INCOME				
HA - INCOME	\$ 21,421.92	34.86	\$ 85,936.31	35.66
LV - INCOME	10,277.42	16.72	35,241.00	14.62
RW - INCOME	150.00	.24	600.00	.25
PM - INCOME	305.47	.50	1,655.45	.69
PR - INCOME	20,056.39	32.64	80,165.67	33.27
SB - INCOME	9,081.95	14.78	35,623.99	14.78
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TOTAL INCOME	\$ 61,293.15	99.74	\$ 239,222.42	99.27

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

HORIZON CABLE TV, INC.
SUPPORTING SCHEDULE 3
SEE ACCOUNTANT'S
COMPILATION REPORT

FOR THE MONTH ENDED 11/30/93 & THE FOUR MONTHS ENDED 11/30/93

	CURRENT-PERIOD AMOUNT	CUR-PD RATIO	YEAR-TO-DATE AMOUNT	Y-T-D RATIO
OPERATING EXP - SCHED 3				
ACCOUNTING	\$ 100.00	.16	\$ 1,550.00	.64
ADVERTISING	140.00	.23	140.00	.06
BAD DEBTS	20.10	.03	1,092.62	.45
BASIC PROGRAMMING	8,687.13	14.14	33,127.62	13.75
BANK CHARGES	10.00	.02	1,185.61	.49
CONTRIBUTIONS	.00	.00	180.00	.07
COPYRIGHT FEES	96.74	.16	387.05	.16
DUES AND SUBSCRIPTIONS	225.50	.37	1,740.52	.72
FOOD & ENTERTAINMENT	135.54	.22	209.95	.09
EQUIPMENT RENTAL	1,241.15	2.02	3,678.98	1.53
FRANCHISE APPLICATION FEES	96.21	.16	2,884.48	1.20
GASOLINE AND OIL	890.03	1.45	3,239.82	1.34
INSURANCE	930.67	1.51	3,841.70	1.59
INSURANCE - W/C	335.87	.55	1,530.95	.64
LEGAL	68.71	.11	390.71	.16
LICENSES AND PERMITS	46.88	.08	237.52	.10
MATERIALS	1,268.67	2.06	1,703.61	.71
MEDICAL INSURANCE	1,062.71	1.73	3,777.06	1.57
OFFICE EXPENSE	717.57	1.17	3,986.34	1.65
PAY PROGRAMMING	7,090.74	11.54	20,984.65	8.71
PAYROLL TAXES	756.26	1.23	3,170.33	1.32
POSSESSORY INTEREST TAX	473.89	.77	2,369.45	.98
POSTAGE	464.22	.76	1,415.68	.59
PERSONAL PROPERTY TAX	1,433.34	2.33	6,631.78	2.75
POLE ATTACHMENTS	1,090.61	1.77	2,433.62	1.01
RENT	520.88	.85	2,083.52	.86
REPAIRS & MAINTENANCE	72.85	.12	2,337.86	.97
SALARIES - OFFICE	1,672.00	2.72	6,612.00	2.74
SALARIES - OTHER	2,027.60	3.30	7,069.98	2.93
STATEMENT EXPENSE	2,155.18	3.51	3,997.89	1.66
SMALL TOOLS	8.19	.01	8.19	.00
SUPPLIES	491.36	.80	2,064.56	.86
TELEPHONE	587.18	.96	2,652.53	1.10
TRAINING	.00	.00	494.00	.21
TRAVEL	694.23	1.13	1,043.32	.43
TRUCK EXPENSE	729.77	1.19	1,712.85	.71
UTILITIES	151.54	.25	3,209.33	1.33
MISCELLANEOUS	4.00	.01	267.19	.11
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TOTAL OPERATING EXPENSES	\$ 36,497.32	59.42	\$ 135,443.27	56.19

ATTACHED NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.